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From the Minister for Trade

DEPARTMENT OF TRADE AND INDUSTRY
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Charles Powell Esq
Private Secretary to the
Prime Minister
10 Downing Street
LONDON
SW1

It seems a strange way to support a mission. Can't not be done through the customs channels? = can then refer to it

Prime Minister Agree to support David Young's mission with the Chinese? It will be a useful follow-up to your visit. CDP 24/12

December 1984

Dear Charles

POSSIBLE HIGH LEVEL MISSION TO CHINA

You will have seen from my Minister's letter of today to the Minister without Portfolio that we are working on a proposal for a high level business mission to China in early 1985, led by Lord Young.

2. The objective is to help our trade with China by demonstrating to the Chinese and to British industry that we are making a serious effort to improve our trade and economic relations with China (taking advantage of our good political relationship) and that we recognise the commercial opportunities resulting from China's plans for expansion and economic reform.

3. The Prime Minister's personal support would significantly increase the impact of this mission and we therefore very much hope she will agree to propose this mission to the Chinese Prime Minister during her visit to Peking. I should be grateful to know whether the Prime Minister is content for us to proceed on this basis. Subject to the views of our Embassy in Peking we think that it would then be desirable to give the Chinese Government informal advance notice that the Prime Minister would be putting forward this proposal. As you will see from my Minister's letter to Lord Young, we think that the timing of an announcement about the mission needs to be considered carefully.

4. I am sending copies of this letter to Peter Ricketts (FCO) and to Leigh Lewis (Private Secretary to the Minister without Portfolio).

*Yours ever
Steve*

STEPHEN NICKLEN
Private Secretary to the
Minister for Trade (PAUL CHANNON)



10 DOWNING STREET

6 December 1984

From the Private Secretary

POSSIBLE HIGH LEVEL BUSINESS MISSION TO CHINA

Thank you for your letter of 4 December about the proposal that the Minister without Portfolio should lead a high level business mission to China in early 1985.

The Prime Minister is well content with the proposal for Lord Young to lead a mission and is ready to refer to it in her meetings with the Chinese Prime Minister later this month. However, she thinks that the proposal should first be pursued with the Chinese through normal channels so that they are properly aware of it by the time she goes to Peking. I should be grateful if this could be put in hand urgently so that we know before the Prime Minister sets out whether the Chinese are content to receive the mission.

I am sending copies of this letter to Peter Ricketts (Foreign and Commonwealth Office) and to Leigh Lewis (Minister without Portfolio's office).

(Charles Powell)

S. Nicklen, Esq.,
Department of Trade and Industry.

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CABINET OFFICE

From the Minister without Portfolio

**70 Whitehall
London SW1A 2AS
Telephone 233 3299**

The Rt. Hon. Lord Young of Graffham

The Rt. Hon. Paul Channon M.P.,
Minister for Trade,
Department of Trade & Industry,
1 Victoria Street,
London, S.W.1.

6th December, 1984

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Paul

CHINA

Thank you for your letter of 4th December about a visit to China in early 1985.

I would indeed be delighted to undertake the leadership of this mission which, as you know, I have reason to think could make a very valuable contribution to building up our trade with China. I agree with you about the need for careful preparation and planning and I also agree that the timing of an announcement needs consideration. I would think, however, that we ought to aim for a visit no later than March if we are to take full advantage of the opening which the Prime Minister's visit will create.

As regards the composition of the team, I agree with you that we need to involve very senior people. I have some thoughts on this and I would like to discuss these with you in the fairly near future as well as the other questions surrounding the visit. If I may, I will ask my office to get in touch with yours to fix a suitable time.

I am copying this letter to the Prime Minister and the Foreign Secretary.

Paul

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-6 DEC 1984



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The Rt Hon Lord Young of Graffham
Minister with Portfolio
Cabinet Office
LONDON
SW1

4 December 1984

CHINA

I was delighted to hear that you have welcomed the idea of leading a small high-level business mission to China in early 1985, with the aim of following up the Prime Minister's visit in December and taking commercial advantage of our current good political relationship.

2. As you know, this proposal originated from the suggestion, (which proved not to be feasible), put to you by Mr David Li, that the Prime Minister might herself take a group of businessmen with her. I believe a visit in late February or possibly March has been suggested. Certainly the sooner the better, but we shall need the Embassy's advice on timing. Among other things, the mission would have to avoid coinciding too closely with the Chinese New Year, 20 to 22 February, and the dates will also need to be agreed by the Chinese authorities. We also need time for careful preparation and planning at this end.

3. We shall also need to decide quickly on the sectors to be covered and which companies should be invited to take part. The sectors suggested by our Embassy in Peking are information technology, transport, food processing and packaging and perhaps electricity generation and transmission; these are all good suggestions, but you may have thoughts of your own. As to numbers, the Embassy have suggested that the mission should ideally include not more than 5 or 6 businessmen, who should be very senior, preferably at or near Chairman level. We are now considering who should be invited to take part; and will let you have ideas as soon as we can.

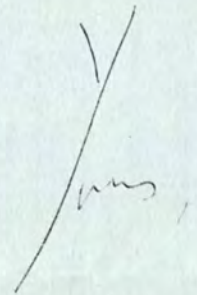
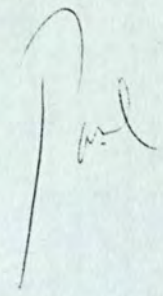


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4. The timing of an announcement needs careful consideration. There is a good deal to be said for an early announcement but on the other hand it would be premature to announce the visit until the composition of the mission and its date are clearer. Otherwise we would simply stimulate a flood of questions which we would be unable to answer, as well as applications from would-be participants which would be difficult to resist so long as the membership of the mission was undecided. Also, while the Chinese leadership will no doubt readily agree in principle to the proposal for a mission, the Chinese organisations who will be concerned with the arrangements for the mission would probably react unfavourably if we made an announcement before they had had time to consider our proposal. On the whole the arguments seem to point towards delaying an announcement while moving as quickly as we can to resolve the outstanding questions so that the earliest possible announcement can be made.

5. I should be grateful if you could confirm that you are willing to undertake the leadership of this mission. We would then brief the Prime Minister to propose a mission under your leadership when she meets the Chinese Prime Minister in Peking on 19 December.

6. I am sending copies of this letter to the Prime Minister and Foreign Secretary.



PAUL CHANNON